

**Saudi Arabia: A Case Study of U.S. Foreign Policy in the  
Middle East**

**An Honors Thesis (HONRS 499)**

**by**

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It is important to understand the ideologies of Arab countries in making diplomatic decisions, such as arms deals and trade. The Arab countries have a tendency to follow Saudi Arabia's example, so it is important to study the diplomatic relations between it and the United States. Saudi Arabia gained great wealth and power following the oil embargo and "emerged as the foremost country in Arab councils" (Safran 173).

According to Anthony Cordesman, there are several catalysts to the strategic emergence of the Gulf region. The first of these is the Arab-Israeli War of 1967. The Israelis soundly defeated the Arabs and gained new territory which is still in dispute today. The defeat of the Arabs led to a massive military build-up which fueled the regional arms race even more.

The second catalyst was the British withdrawal from the East of Suez. When the British left in 1971, they created a power vacuum. States that had not had self-rule since the mid-nineteenth century were left with no formal guidance. A power struggle ensued.

In order to somehow maintain some Western power in the region, the Nixon administration came up with the "Two Pillars" philosophy. Iran would be the military force and as such was given a fairly free reign in buying weaponry. The Shah could pick and choose any amount of weapons he desired without any objection. Taking advantage of this, the Shah began buying enormous amounts of arms.

What he and the U.S. failed to take into account was the internal problems within Iran. Islamic fundamentalists seized power and the shah left in 1978-1979. The extremists, led by Khomeini, took control of the government. The West lost its "military pillar". Iran became a threat to the security of moderate Arab countries. Khomeini sought to inflame the Shi'ites in the Gulf region into revolution.

Saudi Arabia, as the other pillar, was seen as a stabilizing factor in the Middle East because of its moderate political stance in the region. Because of Saudi Arabia's oil wealth, it was (and is) a very influential country throughout the world. What made it even more influential in Middle Eastern politics was that it is the location for some of the holiest places for the Islamic religion.

Another catalyst is the October War of 1973. This war created a resurgence of Arab Nationalism throughout the region. The conservative states in the Gulf were forced to put some distance between themselves and the United States for fear of alienating the Islamic fundamentalists and others opposing any such action. The October War of 1973 also sent countries scrambling to build up their military capabilities.

War broke out between Iran and Iraq in 1980. "The threat [of the Iran-Iraq conflict and the possibility of that conflict spreading through efforts of the Iranian leadership to export revolution through out the gulf region] lead the Saudis to seek further ... defense help" (U.S. House Subcommittee on Europe and the Middle East 46).

Defeat in Viet Nam and Angola meant a loss of face for the United States. The United States lost power globally for its failure in these two third world countries. Although most people today would consider the loss in Viet Nam to be the most important, this is not so in Saudi Arabia. The effect of the loss in Somalia was the greater of the two to the Saudis because it "triggered new congressional restraints on U.S. military assistance..." (Cordesman 58).

Next on the list of catalysts is the crisis in Somalia and Ethiopia. Haile Selassie was overthrown by communists in Ethiopia. The United States gave aid to Somalia which then attacked Ethiopia. Somalia lost and the Soviet-backed Ethiopians became entrenched even further. This served to strengthen the Soviet presence in Africa.

The Soviets already had a sphere of influence on the Arabian peninsula in South Yemen. South Yemen is "... one of the most destabilizing influences in the Gulf and the Red Sea area" (Cordesman 58). South Yemen, by far, has caused the most security problems for Saudi Arabia. North Yemen, a "principal supplier of foreign labor" for Saudi Arabia, is constantly threatened by South Yemen (Cordesman 59).

In order to maintain good relations with the Middle Eastern countries, the United States must maintain good relations with Saudi Arabia. The history of U.S.-Saudi relations is a history of the influence of oil upon U.S. foreign policy-making. This has been mutually beneficial to both countries. Saudi Arabia has gained in modernization of its society as well as its military. New industry, roads, airports, hospitals, and other public works have been added to the infrastructure. Many U.S. companies have been instrumental in the modernization process and, in so doing, have earned many economic benefits.

The United States has used Saudi Arabia's voice of moderation in the Middle East to help the U.S. cause. In December of 1944, the U.S. government "concluded that America's vital interests would be served by entering into a long term program of assistance to Saudi

Arabia" (Grayson 57). The U.S. was first contacted by Saudi Arabia through Great Britain. Once the United States decided to supply arms to Saudi Arabia, the U.S. State Department told Great Britain that Saudi Arabia would not have to go through Great Britain to get aid from the U.S.

World War II was beginning to draw to a close. The United States thought that it would be beneficial to have possible airstrips in Saudi Arabia in order to support the Allied forces. The War Department wanted to build and improve roads and otherwise improve the infrastructure of Saudi Arabia. This would give a good basis of support for the war effort. After the war ended, there was an agreement made by the Big Three concerning arms transfers. It was broken by the Soviet Union when it had arms deals with Egypt and Syria in 1955 and 1956. This fueled a regional arms race that has continued to the present day.

The United States has participated in the development of Saudi Arabia consistently for the past forty-seven years. This development has been mainly related to military projects such as airport hangers, airstrips, naval ports, and troop housing.

During the Nixon administration, Saudi Arabia and Iran were the major Persian Gulf recipients of American aid and, as such,

became “the ‘Twin Pillars’ supporting American policy” (Congressional Quarterly Weekly Reports 2010). Before the revolution in Iran, it was the major consumer of weapons in the Middle East. After the revolution, U.S. aid was discontinued and Saudi Arabia took over that role. “Since 1973, Saudi Arabia has contracted to buy \$32 billion worth of U.S. arms and military services” (Congressional Quarterly Weekly Reports 2010).

The U.S. has to understand that the Saudis are insulted when it is suspicious of their motives for buying arms. The Saudis believe it is a test of friendship. Arms sales are the key to good diplomatic relations with Saudi Arabia. The U.S. has to be careful not to alienate the Saudis, but it can not allow them to take any of its sovereignty away.

From the first arms deal in 1943 to the late Persian Gulf Crisis, Saudi Arabia has spent hundreds of billions of dollars on American military equipment. The military sales are “conducted entirely as a cash basis and comprise assistance to all major forces of the Saudi and armed forces, including the Saudi National Guard” (U.S. House Subcommittee on Europe and the Middle East 46).

As well as spending money on its own defense, Saudi Arabia has spent millions in aid to other Arab countries. For example, in

1978, the Saudis asked the United States to sell arms to surrounding countries, for which they would provide funds. For North Yemen, the Saudis wanted a \$400 million package including "12 F-5E small fighter-bombers, 64 M-60 tanks, and 100 armored troop carriers" and for the Sudan the request and additional "12 F-5Es" (Towell 386).

The Saudi perspective must be analyzed. The Saudis want quality, not quantity in their weapons systems. They do not necessarily mean that they just want the best, however. The Saudis want the best strike capability in the event of war. By buying to suit the needs of its defense and not by buying to sate the appetite of a megalomaniac despotic ruler who has lost touch with his people, the Saudis try to avoid the possibility of an uprising.

As with most armies in Third World countries, the Saudi army has to be watched carefully by the king and his ministers. The larger the army, the greater the possibility of an uprising. There was a coup attempt in May - June 1977 by a group of pilots in the RAF (Cordesman 227). Although it was stopped before any real damage was done, it served as a serious warning to the Saudi government that modernization was not happening at the correct rate.



Another warning that the modernization was not occurring at the proper rate was the uprising at the Grand Mosque in Makkah in November 1979. This, along with various Shi'ite riots, gave notice to the Saudi government that certain Islamic traditions were falling to the wayside. The government responded by modifying the

Third Five Year Plan to provide a slower rate of development, offered more financial incentives to the traditional elements of Saudi society, and strengthened the role of the religions and traditional tribal and family leaders in the councils and advisory bodies of the Saudi government (Cordesman 237).

The Saudi government must never loose contact with its people, else it loose control.

Prestige is a major factor of political influence. By maintaining a working relationship with the United States in which the Saudis have some control ,the Saudis show that they do have some political clout. Saudi Arabia has gained a measure of control over U.S. foreign policy in the region because of the power it has gained from the use of oil as a political tool. Also, their military strike capability through the use of their weapons as well as their allies presents the image of a formidable adversary.

The U.S. perspective must also be analyzed in order to get a full background of diplomatic relations between the U.S. and Saudi

Arabia. The United States has viewed Saudi Arabia as the moderate force in the Middle East. Saudi Arabia is a fairly conservative state. It is the key to peace in the Middle East because it is in between the radical states on a political spectrum. Former Secretary of State Vance said, "The Arab country [Saudi Arabia] is of immense importance in promoting a course of modernization in the Middle East ... and more broadly in world affairs as in petroleum and financial policy". The Saudis believe it is in their own best interests as well as for the other countries in the region to modernize their countries.

However, this has to be done without "westernizing" the countries. If the countries modernize at a pace that is too rapid, the people feel threatened because they do not want to lose their culture. This can cause problems within the society.

Internal problems in Saudi Arabia are a source of concern to the United States. Whoever controls the oil can control the price. The United States does not want the regime to lose power. If that were to happen, a stable source of the world's oil would no longer be stable. In order to keep that from happening, the U.S. has supplied arms and equipment to Saudi Arabia's National Guard (Felton 61).

Another source of concern for the United States, as well as for Saudi Arabia, was the Soviet presence in the region. Past U.S. strategy has been to try to limit Soviet influence by courting the moderate states, Saudi Arabia included. In so doing, the U.S. leaders have become "more open to the Arab nations" (Keller 1527). The most recent course of action for the United States was when President Bush invited the Soviets to participate in the Middle Eastern Peace talks.

The U.S. sees Saudi Arabia's defense goals as its "ability to defend its oil fields, preserve Western access to the Persian Gulf oil supplies, and guard against Soviet intrusions in the area" (Whittle 1655). These goals are not that different from the goals that Saudi Arabia has set for itself. The U.S. has for over twenty years said that it would "be prepared to go to war to protect Saudi Arabian oil supplies" (Towell 472). This has gone for internal as well as external threats. The United States learned from its experience in Iran's revolution. It wasn't until 1990 that the U.S. was put to the test.

The arms sales to Saudi Arabia have done more than protect Saudi Arabia - they have helped with the U.S. balance of trade. The U.S. needs these sales as much as Saudi Arabia does on a financial

basis as well as on a political basis. Even the arguments against the sales do not argue against the financial gains.

There are three main arguments against the arms sales to Saudi Arabia which arise whenever an agreement comes before Congress. The first of these is that "new weapons could contribute to instability in Saudi Arabia" (Felton 632). Saudi Arabia is then compared to Iran. This argument has already been proven to be weak. Several of the circumstances in Saudi Arabia are different from those in Iran before the fall of the Shah's government.

The next argument is that selling arms to Saudi Arabia will fuel the regional arms race. In so doing, it "would destabilize the balance of power" (Congressional Quarterly Weekly Reports 391). There is always the possibility that these weapons could be turned over to countries at war with Israel. Another possibility is that the Saudi government could be overthrown and the weapons would be used against our allies. It has been argued in past sales that "the Saudis do not need the [arms] for their own defense" (Felton 632).

The fear that these weapons will be used against Israel is the third argument. In fact, just the purchase of the weapons is threat enough because the arms race is fueled and it forces Israel to

purchase more arms that it can possibly afford. "Israel is already in a multi-billion dollar debt to the U.S. from arms sales" (Felton 632).

The third argument used is that Saudi Arabia cannot absorb the level of technology required to use the equipment sold to them. U.S. Representative Lee Hamilton holds this view. The Saudis simply don't have the training or skills to handle the new equipment. U.S. companies have been "hired ... to operate some of the military facilities, such as the \$1.2 billion Jubail Naval Base on the Persian Gulf" (Felton 62).

Recently, Saudi Arabia has turned to other sources of arms. This has been some cause for alarm for the U.S. especially since China is one of those sources. Saudi Arabia purchased Chinese CSS-2 intermediate-range missiles. The Saudis turned to China because they believed "that no Western power would have sold them the missiles" (Aviation Week and Space Technology 30).

The West was alarmed by this purchase. Not only did it change the balance of power in the Gulf, it was the first sign of Saudi-Arabia turning to a communist nation for arms. "The CSS-2 purchase was required for long-range defense and poses no offensive threat to Israel" (Aviation and Space Technology 30). The apparent Saudi motive was for protection against Iraq, Iran, South

Yemen, and Egypt, not Israel. Later in the year, the Saudis made another purchase - this time from Great Britain, which somewhat allayed the fears of the United States.

However, not all of the fears of the U.S. were calmed. The Saudi-British agreement had provisions that would "allow Britain to replace the U.S. as the Arab kingdom's primary arms supplier" (Brown 25). A reduction of the United States' influence in the region was sure to follow.

Just as Saudi Arabia is dependent on the U.S. for security, the U.S. is dependent on Saudi Arabia as a steady source of oil, not only for itself, but also for sales to its allies. In fact, the Western allies are more dependent on Saudi oil than the United States. "Most have needed a stable source of oil that could be put on a long-term contract basis, and most are closer to the Gulf and have different marginal costs" than the U.S. (Cordesman 10). If the West did not have this stable sources of oil, it would be in danger of another depression (Congressional Quarterly Weekly Reports 1265).

Following the oil embargo and subsequent price hikes in 1973-1974, the world economy went into a severe recession (Plattner 1845).

Saudi Arabia's production capabilities can make up for loss of other sources. However, this is a two-edged sword; "past U.S.

efforts to press Saudi Arabia to increase production were counterproductive to reducing American dependence on foreign oil" (Plattner 1845). The more dependent the West is on Saudi oil, the more control the Saudis wield over the West.

With the increase of dependence on Saudi oil came the increase of its power. Before 1973, Saudi Arabia had not used oil for political motives. However, in October of 1973 this changed and resulted in the embargo (Nakhleh 52).

In September 1973, King Faisal "promised Egyptian President Anwar Sadat that he would only raise oil output by ten percent annually unless the U.S. altered its policy toward Israel" (The New Republic 7). So began the influence of Saudi oil. This example is only one of many. In the past, Army Corps of Engineers, under request from the Saudis, excluded Jewish corps members in Saudi Arabia (Maxfield 433). These methods were used with the motive to get Washington to persuade Israel to work with the Palestinians in forming a Palestinian homeland (Johnson 44).

The U.S. strategic oil reserve was a controversial issue with the Saudis. Their reaction to the news that the U.S. was filling a reserve was to threaten to cut oil production by one million barrels

a day. They were also concerned that U.S. efforts to conserve oil might fall to the wayside if the reserve was filled.

The reserve, now filled, would only last a few months at best.

Strategic reserves do not substitute for domestic sources of energy, they cannot cope with the destruction of critical oil facilities ... and they cannot protect the West from a concerted effort by the major oil-producing states to use oil as a weapon (Cordesman 12).

This has become more evident with respect to recent events, such as the Gulf War.

Trying to justify U.S. troops being sent to Saudi Arabia, President Bush has used emotional, patriotic pleas. He never has actually said that the troops are there because the U.S. wants a stable supply of cheap oil. Instead he uses synonyms or refers to the modern conveniences we have because of oil (Kuntz 21). The American public does not want to think that they are under the control of a foreign source of oil.

For future foreign policy in the Middle East, several conclusions can be drawn from the previous material. Of these , three are the most important. The first of these is that the U.S. has to maintain a balanced relationship in the Middle East. It cannot favor Saudi Arabia over Israel or vice versa at the risk of alienating



the other. This has been a source of aggravation for U.S. presidents. The Israeli-Zionist lobby has, in the past, been much stronger than that of the Arab countries. The U.S. needs to overcome fears of Saudi Arabia attacking Israel. If Saudi Arabia were to attack Israel, it would risk the danger of ending up like Iraq's invasion of Kuwait.

The second conclusion is that the U.S. can now concentrate on factors other than the world communist movement. The Soviet Union is no longer a threat to U.S. interests in the Middle East. The U.S.S.R. can no longer afford to support leftist groups in the area. Instead, it must concentrate on its own domestic policy. World communism is on the decline. The U.S. can now concentrate on other areas, such as helping the Middle East to modernize by building up industry and by working for better human rights.

Lastly, the U.S. needs to learn to trust Saudi Arabia to make the best decisions for itself. The U.S. cannot expect that the Saudis will not act in their own best interests, just as it also must understand that the Saudis' interests do not always coincide with U.S. interests. The interests of both countries usually do coincide, but this is not always the case. For example, the interests of both countries usually clash when it comes to the issue of a Palestinian

homeland. If the countries have built up a mutual trust, certain issues can be compromised. Their relationship is an interdependent one.

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